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LANCZY-PICHLER group	DEGLASSIFIED AND	
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learned the names of a number of Hungarians, who had come to the attention of CIC Vienna, allegedly as a consequence of their black market activity and other shady deals. The personalities involved form part of the LANCZY-PRICELER circle, which has been discussed in LAVA 8230 and ASA-299. ZIPPER considers them very shady characters and proven intelligence fabricators; it accuses them of being infiltrated by the enemy, and working partly for an enemy intelligence service, of engaging in East-West trade, and in black-market deals. The following is known here about the LANCZY-PRICHLER complex:

2. LANCIY, Bela, fearing arrest following his denounciation as a former member of the Hungarian Abwehr, feld to Austria, where he arrived 3 Jan 1950. He was contacted and recruited soon afterwards by a ZIPPER agent (17 570 of GV A) and was assigned the number V-17570/IAST The first material received by LANCZY was found to have been fabricated and to be a duplication of reports submitted previously by PRICHLER to another ZIPPER agent. At this point, 17 570 was ordered to sever all contacts to LANCZY, who was handled from then on by KOLLENYI (17, 562); It was decided to continue using TANCZY, in order to have an opportunity of investigating him from a CE point of view and of finding out who were the people who supplied him with deception material. He was found to be a member of the PRICHLER group and was dropped in December 1950. He still maintains contact to PRICHLER; he is, in addition, in contact with*JEKHLFALUSSY, Attila, whom he meets almost daily in the Cafe Regina in the Alserbachstrasse in Vienna. His present mailing address was given as Cafe Schubertbrunnen, Alserbachstr. 7, Vienna IX. According to a ZIPPER informant, LANCZY, under the alias of HORVATH, Bele, tried to recruit a Hungarian in March 1951 in the CIC waiting room.

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